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DEPT FOR AF/W ASHLEY STEWART LONDON AND PARIS FOR AFRICA WATCHERS

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SUBJECT: BENIN: AMBASSADOR MEETS WORLD BANK RESREP

- 11. (U) Ambassador Knight met with the outgoing World Bank Resident Representative (ResRep) Joseph Baah-Dwomoh on November 10. Baah-Dwomoh shared his impressions as he prepares to leave Cotonou after three years. Baah-Dwomoh is currently responsible for Benin and Togo, but he said that there would be two separate successors named. He plans to return to DC in mid-December and move on to retirement. He previously served with World Bank staff in Benin in 1984.
- 12. (U) The World Bank has suspended budget support which represents a quarter of their funding in Benin. The GOB needs to outline measures to bring realistic expectations to the budget. The budget has suffered from a decline in receipts exacerbated by a decline in GDP growth. Combined with unbudgeted increases in salaries and allowances, there is currently a 400 billion CFA (USD 90 million) funding gap in the budget. The Minister of Finance is applying pressure to fund the budget gap and Baah-Dwomoh predicts he will get support, "we always give in".
- 13. (SBU) Baah-Dwomoh noted that work with two particular Ministries was problematic. The Ministry of Health is disorganized and lacks continuity. There have been four ministers in three years and none has had time to accomplish much. He also criticized the Minister of Primary Education. The advent of free primary education was not smooth, in large part due to insufficient personnel to teach the increased number of students. Both ministries are also saddled with strong unions that react negatively to any proposed reforms and demonstrate regularly for increased compensation.
- ¶4. (SBU) Baah-Dwomoh shared his observations of the political climate since the 2006 elections. He described the President as impatient and frightened of the opposition. His coalition has disintegrated and his strongest minister, Minister of State Pascal Irene Koupaki of the Ministry of Development and Planning, has been undermined by other ministers who benefit from continuing corrupt practices.

KNIGHT